

## LEGAL UPDATES

### **CAN A COMPANY BE STRUCK OFF BY ROC AFTER A CIRP IS INITIALIZED AGAINST IT?**

Elektrans Shipping Pte Ltd. Vs Pierre D'silva (NCLAT Delhi)

It was observed by the National Company Law Tribunal that even when the Registrar of Companies has removed the Company's name, the Corporate Insolvency Resolution Process (CIRP) may be started under sections 7 and 9 of the Insolvency and Bankruptcy Code, 2016. That is because the liabilities or obligations of the Company continue even after it is struck off in the ROC records.

The same was observed in terms of section 250 of the Companies Act, 2013 which lays down the effect of a company notified as dissolved. That is, the concerned Company from the date of such notice cease to operate as a company and the Certificate of Incorporation issued to it shall be deemed to have been cancelled from such date except to realize the amount due to the company and for the payment or discharge of the liabilities or obligations of the company.